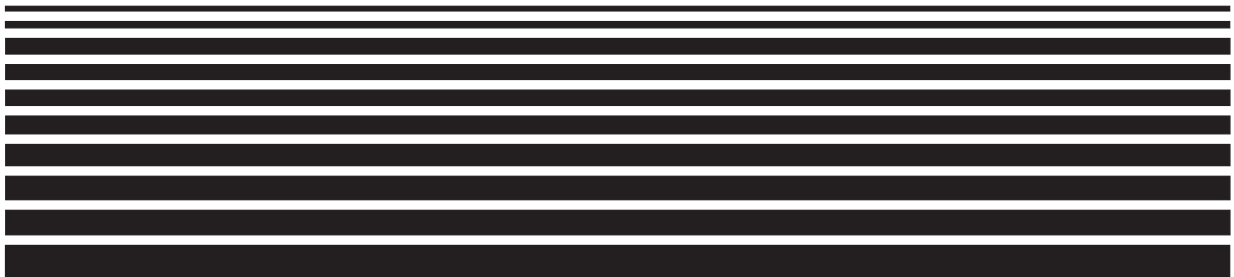


**27<sup>TH</sup>**  
**ANNUAL REPORT**  
**2010-11**



***GOPALA POLYPLAST LTD.***



**BOARD OF DIRECTORS**

Shri Mahendra Somani	- Chairman
Shri Manoj Somani	- Managing Director
Shri Manish Somani	- Executive Director
Shri Jugal Kishore Khetawat	
Shri Kashyap Mehta	
Shri Malay Dalal	
Shri Ramprakash Khatod	

**REGISTERED & ADMIN. OFFICE**

485, Santej Vadsar Road, Santej,  
Taluka Kalol, Dist. Gandhinagar-382721

**REGISTRAR &  
TRANSFER AGENT**

MCS LIMITED  
101, 1st Floor, Shatdal Complex,  
Opp. Bata Show Room, Ashram Road,  
Ahmedabad-380 052

**WORKS**

- Unit-1 485, Santej Vadsar Road, Santej,  
Taluka Kalol, Dist. Gandhinagar-382721
- Unit-2 Siddhi Vinayak Filaments  
(A unit of Gopala Polyplast Ltd.)  
10-11-12, First Floor, Swastik Ind. Estate,  
Madhuban Dam Road,  
Silvassa, (D&NH)

**AUDITORS**

M/s. V. K. Moondra & Co.  
Chartered Accountants

**BANKERS**

Industrial Development Bank of India Ltd.  
Dena Bank

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**27th Annual General Meeting**

Day : Friday

Date : 30th September, 2011

Time : 11 a.m.

Venue : 485, Santej Vadsar Road,  
Santej, Taluka Kalol,  
Dist. : Gandhinagar-382721.

**NOTICE**

Notice is hereby given that the 27th Annual General Meeting of GOPALA POLYPLAST LIMITED will be held at Plot No. 485, Santej Vadsar Road, Santej, Taluka Kalol, Dist. Gandhinagar - 382721, Gujarat on Friday, 30th September, 2011 at 11.00 a.m. to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the Profit & Loss Account of the Company for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Jugal Kishore Khetawat, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Malay Dalal, who retires by rotation and being eligible, offers himself for reappointment.
4. To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution :  
"RESOLVED THAT a written certificate pursuant to provision to sub-section (1) of section 224 of the Companies Act, 1956, having been received from M/s. V. K. Moondra & Co. (Membership No. 070431), Chartered Accountants, Ahmedabad, the said M/s. V. K. Moondra & Co., be and are hereby appointed as the Auditors of the Company under Section 224A of the Companies Act, 1956, for the financial year 2011-12 and to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company on a remuneration as may be agreed upon between the Board of Directors or any committee thereof and the said M/s. V. K. Moondra & Co."

By Order of the Board

Place : Santej  
Date : 30th July, 2011

**Manoj Somani**  
Managing Director

**NOTES :**

1. The Register of Members and Share Transfer Books of the Company will remain closed from 28th September, 2011 to 30th September, 2011 (Both days inclusive).
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the time fixed for the meeting.
3. Members/Proxies should bring the Attendance Slip duly filled in for attending the Meeting.
4. Shareholders seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.

Details of the Directors seeking appointment in forthcoming Annual General Meeting (in pursuance of clause 49 Of the Listing Agreement)		
Name of Director	Mr. Jugal Kishore Khetawat	Mr. Malay Dalal
Date of Birth	24/09/1940	26/06/1963
Date of appointment	02/07/1993	31/07/2007
Expertise in specific functional areas	Industrialist with rich experience in areas like transportation, real estate development, trading, exports.	Finance and Accounts
Qualifications	Senior Cambridge	B.Com., F.C.A., Grad C.W.A.
List of other Companies in which Directorship held as on 31/03/2011	1. RTL Logistics Ltd. 2. South City Projects (Kolkata) Ltd. 3. Khetawat Properties Limited 4. Rameswara Synthexs Limited 5. Rameswara Trading & Finance Co. Ltd. 6. Kolkata Metropolitan South City Development Limited	NIL
Chairman / Membership of the Committees of the Board of the Companies on which he is a Director	NIL	Gopala Polyplast Limited Audit Committee – Chairman Remuneration Committee – Member Shareholder Grievances Committee - Chairman

**DIRECTORS' REPORT****Dear Shareholders,**

Your Directors have pleasure in presenting before you, the 27th Annual report and the Audited Accounts for the financial year ended 31st March, 2011.

**FINANCIAL RESULTS**

The Financial results of the Company are summarized below:

	<b>2010-11</b>	Rs. in Lacs <b>2009-10</b>
<b>GROSS PROFIT (LOSS)(PBDIT)</b>	<b>223.85</b>	<b>(113.90)</b>
Less:		
Interest & Financial Charges	227.46	189.47
Depreciation	257.91	272.04
<b>PROFIT / (LOSS) BEFORE TAX &amp; EXTRA ORDINARY ITEM</b>	<b>(261.52)</b>	<b>(575.41)</b>
Add:		
Extra Ordinary Item	309.89	—
<b>PROFIT / (LOSS) BEFORE TAX</b>	<b>48.37</b>	<b>(575.41)</b>
Less:		
Provision for Fringe Benefit Tax	—	—
Provision for Deffered Tax	23.02	(111.74)
Provision for Income-Tax of earlier year	—	1.11
<b>PROFIT / (LOSS) AFTER TAX</b>	<b>25.35</b>	<b>(464.78)</b>
Add: Balance brought forward	(1434.57)	(969.79)
Profit / (Loss) available for Appropriation	—	(1434.57)
<b>APPROPRIATIONS</b>	<b>—</b>	<b>—</b>
Balance carried forward to next year	(1409.22)	(1434.57)

**EQUITY / PREFERENCE DIVIDEND**

Due to losses, your directors do not recommend dividend on Equity Shares and Preference Shares for the year 2010-11

**EXPANSION & MODERNISATION**

The company is regularly upgrading its plant and machinery and has spent Rs. 159.87 lakhs on plant and machinery during the year under review.

**MANAGEMENT DISCUSSION AND ANALYSIS**

As required by Clause 49 of the Listing Agreement with the Stock Exchange, a Management Discussion and Analysis Report is appended.

**DIRECTORS**

Mr. Jugal Kishore Khetawat and Mr. Malay Dalal, retire by rotation at the forthcoming Annual General Meeting, and being eligible offer themselves for re-appointment.

Mr. Subhash Dalmia, who was earlier appointed as Additional Director 30/10/2010 has resigned from the Board of Directors on 25/07/2011.

**DIRECTORS RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956.**

The Directors hereby confirm, that they have :

- followed in the preparation of the annual accounts, the applicable accounting standards along with proper explanation relating to material departures;
- selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for that period;



- iii. taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. prepared the annual accounts on a going concern basis.

#### **DEPOSITS**

The Company has not accepted any deposits to which the provisions of Section 58A of the Companies Act, 1956 are applicable.

#### **DELISTING OF EQUITY SHARES**

The Company has applied to the Calcutta Stock Exchanges for voluntary delisting and its outcome is still awaited. The equity shares of the Company are continued to be listed on the Bombay Stock Exchange Limited (BSE).

#### **CONSUMPTION OF ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE EARNING AND OUTGO**

The information required under Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 is annexed hereto and forms part of this report.

The total earning in foreign exchange from Direct Exports is Rs. 152.82 lacs. (Previous year - Rs. 110.77 lacs)

The total foreign exchange out flow during the year is Rs.15.07 Lacs (Previous year - Rs. 16.64 Lacs).

#### **PERSONNEL**

The employee relation situation in your Company was satisfactory. Your Directors place on record their appreciation for the hard work and dedication of the employees in enhancing the productivity and effectiveness of the Organisation. There is no employee who is in receipt of remuneration exceeding the limits specified under sub-section 2A of Section 217 of the Companies Act, 1956.

#### **CORPORATE GOVERNANCE**

As required by Clause 49 of the Listing Agreement, a Report on Corporate Governance is appended along with Certificate of Compliance from the Auditors.

#### **AUDITORS**

M/S V. K. Moondra & Co., Statutory Auditors of the Company, retire at the forthcoming Annual General Meeting and are eligible for reappointment.

#### **ACKNOWLEDGMENT**

The Board of Directors places on record its warm appreciation for the devoted services of the staff at all levels of the Company who have contributed all these years to the growth of the Company. The Board of Directors gratefully acknowledge support extended by various Government Authorities, customers, investors, Banks and Financial Institutions to the Company from time to time.

**For and on behalf of the Board of Directors**

Santej  
30th July, 2011

**Mahendra Somani**  
**Chairman**

**ANNEXURE TO THE DIRECTORS' REPORT**

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988.

**A. CONSERVATION OF ENERGY**

Energy conservation measures taken by the Company involves mainly selection & installation of energy efficient equipment and energy saving devices. The impact of above measures on the cost of production is not precisely ascertainable.

**B. TECHNOLOGY ABSORPTION**

- a. Research & Development      The Company has not so far formally established a Research & Development wing. However it is getting its technology updated in consultation with the machinery manufacturers on a continuous basis.
- b. Technology absorption, adaptation & innovation      The Company has not imported any technology.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

(Rs. in Lacs)

	<u>2010-11</u>	<u>2009-10</u>
a. Foreign Exchange Earnings	<b>152.82</b>	<b>110.77</b>
b. Foreign Exchange Outgo	<b>15.07</b>	<b>16.64</b>

**FORM – A****DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY****I. POWER AND FUEL CONSUMPTION:**

	<u>2010-11</u>	<u>2009-10</u>
Electricity		
1. Purchased from GEB Units (KWH)	2842925	<b>2282157</b>
Total Amount (Rs.)	17200613	<b>14151331</b>
Rate per unit (Rs.)	6.05	6.21
2. Own Generation (through D.G. sets)		
Total Units Generated (KWH)	31631	<b>61252</b>
Total Amount (Rs.)	387214	<b>1389688</b>
Cost per unit (Rs.)	12.24	<b>22.68</b>
3. Own Generation (CPP-Gas)		
Total Units Generated (KWH)	6910716	<b>7679451</b>
Total Amount (Rs.)	42174461	<b>40339849</b>
Cost per unit (Rs.)	6.10	<b>5.25</b>

**II. CONSUMPTION PER UNIT OF PRODUCTION**

Product	PP Woven Sacks	
	<u>2010-11</u>	<u>2009-10</u>
Production (Tons)	12341	<b>12448</b>
Total No. of Units (KWH)	8874519	<b>896611</b>
Units per Ton (KWH)	719	720

\* Quantitative details of Label Division cannot be compiled hence the relevant details are not given.

**REPORT ON CORPORATE GOVERNANCE**

Report on Corporate Governance for the year 2010-11 as per clause 49 of the Listing Agreement is placed here below :

**1. Board of Directors :**

The Company is managed by Board of Directors comprising a non-executive Chairman, 2 executive directors and 3 non-executive directors. Of these directors, 3 are independent directors.

The composition of directors and their attendance at the board meetings during the year and at the last annual general meeting, as also the number of their other directorships/committee positions are given in the following tables :

**Table 1 :** Composition of Board of Directors and number of other directorships and committee positions held as on 31st March, 2011 :

Director	Executive / Non-executive Independent	Number of Directorships of other Public companies	Committee positions	
			As Chairman	As Member
Mahendra Somani	Non-executive, Chairman	1	-	1
Manoj Somani	Executive	2	1	1
Manish Somani	Executive	-	-	2
Jugalkishore Khetawat	Non-executive	7	-	-
Malay Dalal	Non-executive, Independent	-	2	1
Balkrishna Mittle	Non-executive, Independent	-	-	2
Subhash Dalmia	Non-executive, Independent	-	-	1

As mandated by the revised clause 49, the independent directors on the Company's Board

- Apart from receiving Directors remuneration, do not have any material, pecuniary relationship or transactions with the Company, its promoters, its Directors, its senior management or its associates, which may affect the independence of the Director.
- Are not related to promoters or persons occupying management positions at the Board level or at one level below the Board.
- Have not been executive of the Company in the immediately preceding three financial years.
- Are not partners or executives or were not partners or executive during the preceding three years of the
  - Statutory Audit firm or the internal audit firm that is associated with the Company.
  - Legal firm(s) and consulting firm(s) that have a material association with the Company.
- Are not material suppliers, service providers or customers or lessors or lessees of the Company, which may affect their independence.
- Are not substantial shareholders of the Company i.e. do not own two percent or more of the block of voting shares.

**Table 2 :** Attendance of Directors at Board Meetings and at the last AGM :

Director	Number of Board Meetings		Last AGM Attendance
	Held	Attended	
Mahendra Somani	6	5	Yes
Manoj Somani	6	5	Yes
Manish Somani	6	6	Yes
Jugalkishore Khetawat	6	0	No
Malay Dalal	6	4	Yes
Kashyap Mehta (*)	1	1	No
Balkrishna Mittle (**)	4	3	No
Subhash Dalmia (**)	2	0	No

(\*) Mr. Kashyap Mehta resigned from the Board of Directors w.e.f. 15/06/2010

(\*\*) Mr. Balkrishna Mittle appointed as Director on 10/07/2010

(\*\*\*) Mr. Subhash Dalmia appointed as Director on 30/10/2010

**Table 3 : No. of Board Meetings held and dates of meetings.**

No. of Board Meetings held during the year 2010-11	Dates of Meetings
6	15/05/2010, 24/05/2010, 10/07/2010, 30/07/2010, 30/10/2010 and 31/01/2011. The maximum time gap between any two consecutive meetings did not exceed four months.

**Disclosure regarding directors considered for appointment / re- appointment :**

At the annual General Meeting of the Company, Mr. Jugal Kishore Khetwat and Mr. Malay Dalal are retiring by rotation and being eligible for reappointment are proposed to be reappointed. Their brief particulars are annexed with the notice convening Annual General Meeting.

**Information placed before the Board of Directors :**

The Board of the Company was presented with all the relevant and necessary information at their meetings such as production, sales, capital expenditure budgets, actual performance statistics, review of business, any legal proceedings by or against the Company, Share transfer compliance, quarterly financial results, minutes of the meetings of the Audit Committee, Share Transfer Committee and Shareholders/Investors Grievance Committee, Staff matters including senior appointments, significant labour and human relations matters, and such other information

**2. Audit Committee :**

The Company had reconstituted a three-member Audit Committee on 31/07/2001 comprising of Mr. Prashant Somani, Mr. Manoj Somani and Mr. Shreeprakash Somani in compliance with the requirement of Section 292A of the Companies Act, 1956. The Committee was lastly reconstituted on 10/07/2010, comprising of non-executive directors of whom two are independent directors. The members of the Committee are Mr. Malay Dalal, Chairman, Mr. Balkrishna Mittle and Mr. Mahendra Somani. Mr. Malay Dalal, Chartered Accountant has good financial and accounting knowledge. The Chairman of the Audit Committee attended the Annual General Meeting of the Company held on 30/09/2010.

**The Broad terms of reference of the Audit Committee are as follows :**

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to :
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up thereon.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism, as and when implemented by the Company.



**13. To review the following information**

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The committee met four times during the year ended 31st March, 2011 on 15/05/2010, 30/07/2010, 30/10/2010 and 31/01/2011.

Name of the member Director	Number of Meetings	
	Held	Attended
Malay Dalal	4	4
Kashyap Mehta	1	1
Mahendra Somani	4	4
Balkrishna Mittle	3	3

**3. Remuneration Committee :**

Remuneration Committee comprised of Mr. Malay Dalal, Mr. Balkrishna Mittle and Mr. Subhash Dalmia. The committee did not meet once during the year ended 31st March, 2011

Name of the Member Director	Number of Meetings	
	Held	Attended
Malay Dalal	Nil	N.A.
Balkrishna Mittle	Nil	N.A.
Subhash Dalmia	Nil	N.A.

**4. Director's Interests in the Company :**

Table 4 gives (a) full details of remuneration paid to each director (b) their relationships with other directors (where applicable), and (c), their business interests with either the Company or its directors (where material).

**Table 4 : Relationships of directors, their business interests and remuneration paid :**

Director	Relationship with other directors *	Business relationship with the company if any	Remuneration paid/payable during 2010-11 (in Rs.)			
			Sitting Fees	Salary & Perks	Commission	Total
Mahendra Somani	Father of Manoj Somani and Manish Somani	None	Nil	Nil	Nil	Nil
Manoj Somani	Son of Mahendra Somani	None	Nil	940800	Nil	940800
Manish Somani	Son of Mahendra Somani	None	Nil	672000	Nil	672000
Jugal Kishore Khetawat	None	None	Nil	Nil	Nil	Nil
Ramprakash Khatod	None	None	Nil	Nil	Nil	Nil
Malay Dalal	None	None	Nil	Nil	Nil	Nil
Kashyap Mehta	None	None	Nil	Nil	Nil	Nil
Balkrishna Mittle	None	None	Nil	Nil	Nil	Nil
Subhash Dalmia	None	None	Nil	Nil	Nil	Nil

\* as defined under Section 6 of the Companies Act, 1956.

**Table 5 : No. of shares held by non-executive directors as on 31st March, 2011 :**

Director	No. of shares held
Mahendra Somani	60,600
Jugalkishore Khetawat	1,60,900
Malay Dalal	Nil
Kashyap Mehta	Nil
Balkrishna Mittle	Nil
Subhash Dalmia	80,000

\* During the year 2010-11, the Company did not advance any loan to any of the directors.

**5. Shareholders'/ Investors' Grievance Committee :**

The Company constituted a three-member Committee designated as 'Shareholders/Investors Grievance Committee' under the chairmanship of Mr. Malay Dalal, Non-executive director and Mr. Manoj Somani, Managing Director and Mr. Manish Somani, Executive Directors to specifically look into the redressing of shareholder and investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.

The committee met once during the year on 31st March, 2011, which was attended by Mr. Malay Dalal, Mr. Manoj Somani and Manish Somani

The relevant data are as under :

Name of non-executive director heading the committee	:	Mr. Malay Dalal
Name and designation of Compliance Officer	:	Mr. Yogesh Jain Dy. Gen. Manager (Finance)
Number of shareholders' complaints received during the year	:	3
Number of shareholders' complaints not solved to the satisfaction of shareholders	:	Nil
Number of share transfers pending for over 30 days as on 31-3-2011.	:	Nil

**6. General Body Meetings :**

Location and time, where last three AGMs held :

AGM Number	Date & Time	Venue
24th	30/09/2008 at 11.00 a.m.	Plot No. 485, Santej Vadsar road, Santej, Taluka Kalol, Dist. Gandhinagar-382721, Gujarat.
25th	24/09/2009 at 11.00 a.m.	Plot No. 485, Santej Vadsar road, Santej, Taluka Kalol, Dist. Gandhinagar-382721, Gujarat.
26th	30/09/2010 at 11.00 a.m.	Plot No. 485, Santej Vadsar road, Santej, Taluka Kalol, Dist. Gandhinagar-382721, Gujarat.

Any special resolution passed at these meetings through postal ballot last year	No
Person who conducted the postal ballot exercise	Not applicable
Any special Resolution proposed to be conducted through postal ballot	No
Procedure adopted for postal ballot	Not applicable

**7. Disclosures :****a. Related party transaction**

Disclosures on materially significant related party transactions i.e., transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interest of the Company at large :

Related party transactions of the Company during the year are as under : -

Sr. No.	Particulars	Transaction value (Rs. in lacs)	Outstanding Amount carried in Balance Sheet (Rs. In lacs)
1.	Remuneration to Mr. Manoj Somani, Managing Director	9.41	0.70
2.	Remuneration to Mr. Manish Somani, Executive Director	6.72	0.50
3.	Rent paid to Mr. Manoj Somani, Managing Director	0.26	Nil
4.	Rent paid to Smt. Purnima Somani, Spouse of Mr. Manish Somani	0.27	Nil
5.	Rent paid to Smt. Ushadevi Somani mother of Mr. Manoj Somani, Managing Director and Mr. Manish Somani, Executive Director	2.38	Nil
6.	Amount received from Gopala Mercantile Limited	10.68	10.68
7.	Amount received from Indian Bobbin Manufacturing Co. Pvt. Ltd.	95.00	120.00
8.	Amount received from Status Credit and Capital Private Limited	20.74	20.74

**b. Accounting treatment**

There is no deviation in following the treatment prescribed in Accounting Standard in preparation of financial statements for the year 2010-11.